

# Quarterly Review

July 2014

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*by Jack P. Cannata, CFP®, CPA*

The old adage goes that trees don't grow to the sky. The same holds true for markets. Although we have had a bull market in stocks running for 65 months, this too shall end. We are not saying that the sky is falling and investors should run for cover, we are simply stating the obvious. Statistics don't lie (they simply don't always tell the truth) and the applicable statistic is that post WWII bull markets last, on average, around 50 months. Of course, some are shorter than average and some are longer. In fact, the 1990's bull market ran for almost 10 years.

We are also not trying to time the market. We simply do not adhere to moving in and out of asset classes based on current (or predicted) events. This, we believe to be a fool's errand.

We preach the gospels of diversification and asset allocation. Defining a client's goals and objectives, creating an individually suited Investment Policy Statement, and periodically rebalancing. These simple, but effective techniques will not guarantee against loss, nor eliminate volatility, but, we believe, will give our clients' the highest probability of achieving their long-term financial goals.

As always we thank you for your business and for your continued trust.

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